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# THE Livestock SITUATION

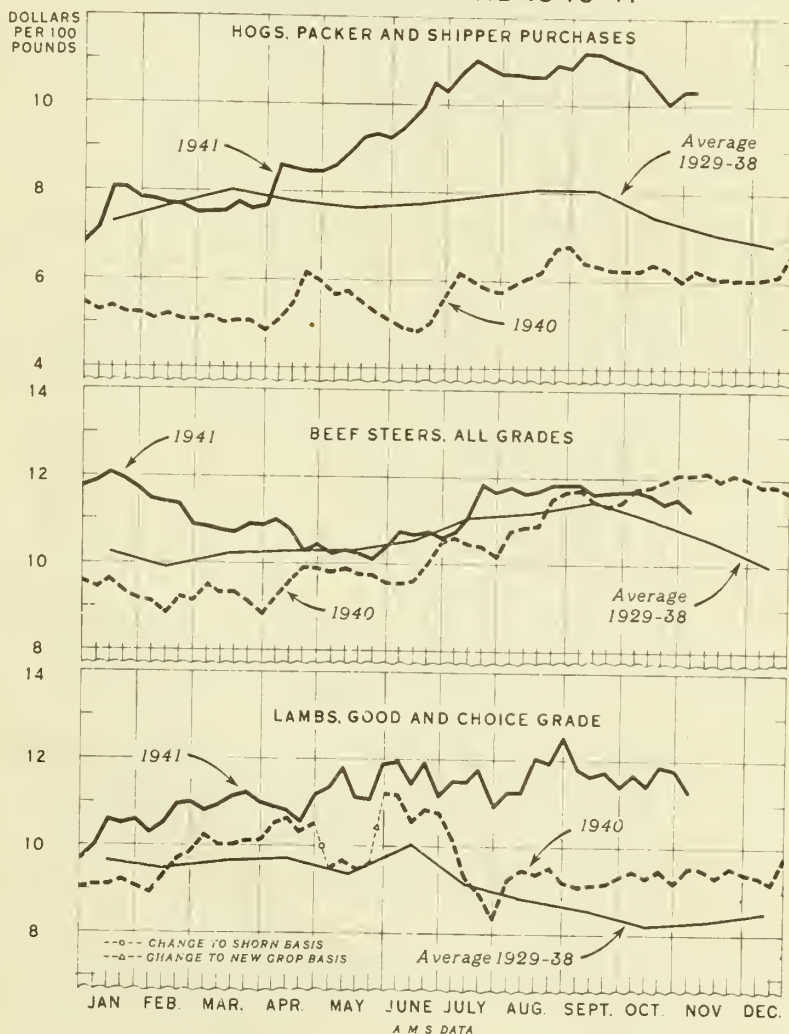
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-29



NOVEMBER 1941

PRICES OF SLAUGHTER LIVESTOCK AT CHICAGO.  
AVERAGE 1929-38, AND 1940-41

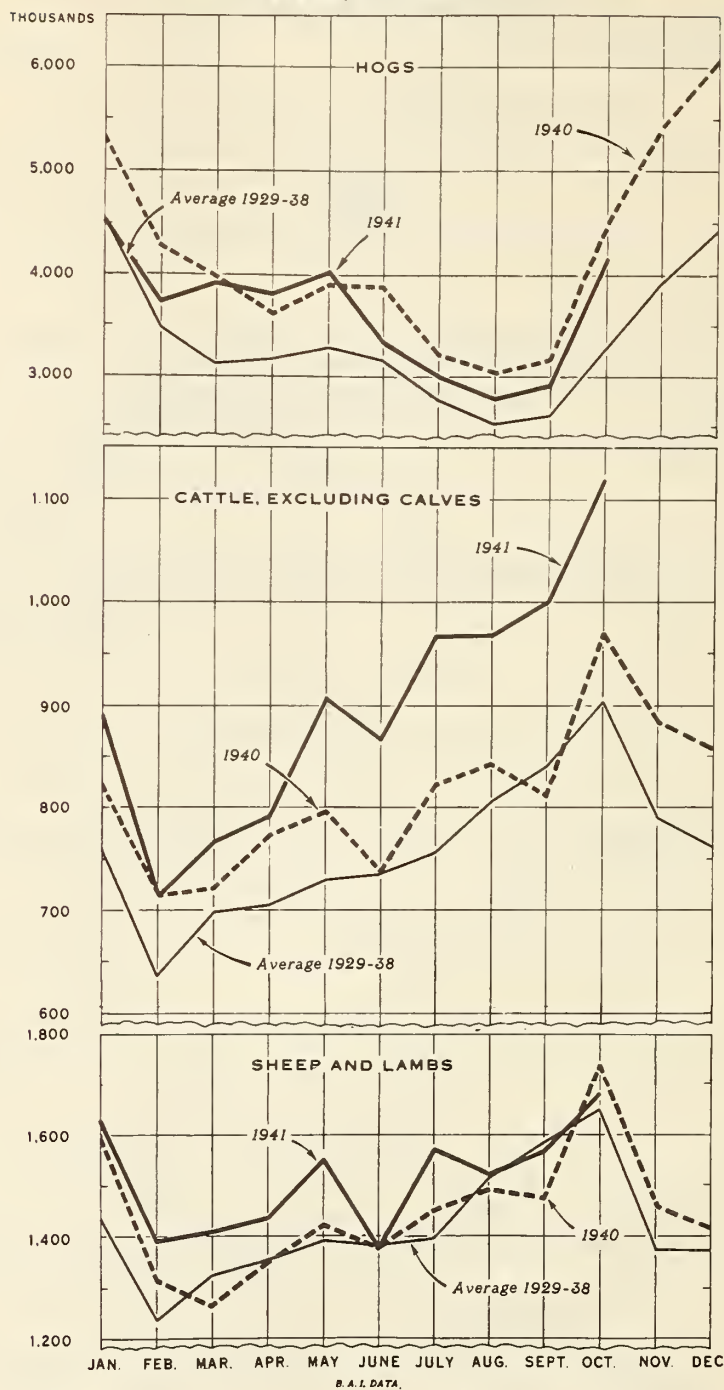


U S DEPARTMENT OF AGRICULTURE

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MARKED IMPROVEMENT IN CONSUMER DEMAND CONDITIONS HAS BEEN AN IMPORTANT FACTOR AFFECTING LIVESTOCK PRICES IN RECENT MONTHS. LARGE GOVERNMENT PURCHASES OF PORK AND LARD AND MODERATELY SMALLER SUPPLIES OF HOGS DURING THE PAST 6 MONTHS THAN A YEAR EARLIER HAVE BEEN IMPORTANT FACTORS IN THE RISE IN HOG PRICES. THE EFFECT OF THE IMPROVED CONSUMER DEMAND UPON PRICES OF BEEF STEERS DURING THE PAST SUMMER AND FALL HAS BEEN LARGELY OFFSET BY EXCEPTIONALLY LARGE MARKETINGS OF WELL-FINISHED SLAUGHTER CATTLE. BUT PRICES OF SLAUGHTER LAMBS HAVE HELD WELL ABOVE A YEAR EARLIER AND HAVE DECLINED LESS THAN USUAL SINCE EARLY SUMMER.

FEDERALLY INSPECTED SLAUGHTER OF LIVESTOCK, AVERAGE  
1929-38, AND 1940-41



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FIGURE 1.- SLAUGHTER SUPPLIES OF ALL LIVESTOCK INCREASED SEASONALLY IN OCTOBER, WITH HOG SLAUGHTER CONTINUING A LITTLE SMALLER THAN A YEAR EARLIER AND CATTLE SLAUGHTER MUCH LARGER. THE REDUCTION FROM A YEAR EARLIER IN HOG SLAUGHTER DURING THE PAST SUMMER REFLECTS THE 10-PERCENT DECREASE IN THE 1940 FALL PIG CROP. THE LARGE INCREASE IN CATTLE SLAUGHTER DURING THE PAST 6 MONTHS OVER THAT OF THE MAY-OCTOBER PERIOD LAST YEAR RESULTED LARGELY FROM THE SHARP INCREASE IN CATTLE FEEDING OPERATIONS IN THE CORN BELT DURING THE 1940-41 FEEDING SEASON. SLAUGHTER SUPPLIES OF SHEEP AND LAMBS HAVE BEEN MODERATELY LARGER THAN A YEAR EARLIER DURING THE PAST SUMMER AND FALL MAINLY BECAUSE OF THE 5-PERCENT INCREASE IN THE 1941 LAMB CROP.

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T H E L I V E S T O C K S I T U A T I O N  
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Summary

Since early September the weekly rate of hog slaughter has increased about as rapidly as it did last fall, and hog prices have declined. Hog slaughter in the first quarter (October-December) of the 1941-42 marketing year probably will be smaller than a year earlier, but in the last 3 quarters it is expected to be larger.

During the past marketing year (October 1940-September 1941) hog prices advanced steadily in response to improving consumer demand conditions. Government purchases of pork and lard and moderately smaller supplies of hogs than a year earlier also were important factors affecting hog prices during the last half of the marketing year. Consumer demand conditions are expected to be stronger in 1942 than in 1941, and the rate of Government purchases also is likely to be greater than in the past 6 months, but these price-supporting factors will be partly offset in the current marketing year by larger slaughter supplies, particularly in the last half of the year. Hog prices are already much higher than in the early months of the 1940-41 marketing year, and they are not expected to advance nearly as much in the present year as they did in 1940-41.

It now appears probable that the number of cattle fed during the coming winter and spring will be somewhat smaller than the large number fed during the 1940-41 feeding season. Shipments of stocker and feeder cattle to the Corn Belt so far this season (since July 1) have been materially smaller than a year earlier, and although shipments may be fairly large in November and December, any increase will not be great enough to offset the decrease of the past 4 months. However, the decrease in the number of cattle



fed in the Corn Belt this season probably will not be so large as the decrease in inshipments of feeder cattle because of prospective increases in feeding of cattle raised in the Corn Belt:

Marketings of well-finished grain-fed cattle probably will continue large during the remainder of 1941, but a considerable decrease is probable in the early months of next year. And the trend in prices of better grades of slaughter cattle may be upward in the first half of 1942 in marked contrast to the sharp downward trend in the first half of 1941.

If cattle marketings are increased materially in 1942 in line with the suggested goals for cattle slaughter next year, slaughter supplies probably will include relatively large numbers of the lower grades of cattle. This, together with the likely decrease in supplies of well-finished cattle, may be reflected in a much wider spread between prices of the upper and lower grades of slaughter cattle in 1942 than has prevailed during the past few months.

Shipments of feeder lambs into the Corn Belt during October were rather large, partly offsetting the reduction from a year earlier during the preceding 3 months. The number of lambs fed in the important feeding State of Colorado is now indicated to be larger than a year earlier, and the total number of lambs fed during the coming winter and spring probably will not differ greatly from the number fed last season. Weather conditions have been unfavorable for feeding operations during the past few weeks, and it is likely that the number of lambs remaining in feed lots next January 1 will exceed the record large number on feed January 1, 1941.

Despite the 8 percent increase in the 1941 Texas lamb crop, shipments from that State have been much smaller this fall than last. Because of the favorable level of wool prices now prevailing, the number of Texas lambs held over for market next spring as shorn yearlings may be larger than usual.

Reports indicate a considerable tendency to hold back ewe lambs in the Western Sheep States this fall, and it is likely that the 1942 lamb crop in that area will again be larger than that of a year earlier. Lamb prices have averaged materially higher than a year earlier during the past several months, and with consumer demand conditions expected to be stronger in 1942 than in 1941, lamb prices probably will continue at a relatively high level next year.

-- November 18, 1941

## REVIEW OF RECENT DEVELOPMENTS

### HOGS

#### Hog Prices Decline Seasonally During Recent Weeks

Hog prices strengthened a little in late October and early November, but the trend in prices during the past 2 months has been seasonally downward, the decline since early September amounting to about \$1.00. The average price of butcher hogs at Chicago for the week ended November 15 was \$10.20, compared with \$10.65 a month earlier, and \$6.20 in mid-November last year. Marketings of packing sows have been reduced fairly sharply during the past month or so, and the spread between prices of butcher hogs and packing sows has narrowed seasonally.

Corn prices have advanced several cents during the past 4 weeks, and this, together with the seasonal weakening of hog prices, has resulted in a decline in the hog-corn price ratio of from 15.4 in mid-October to 14.0 for the week ended November 15. The ratio is still considerably above the long-time average of 11.6, however, and is favorable for increasing hog production.

#### Hog Slaughter Increased Sharply in October

Since early September the weekly rate of hog marketings has increased about as rapidly as it did during the early fall last year, but at a level about 8 percent under a year earlier. Federally inspected hog slaughter during October totaled 4,157,000 head, 42 percent more than in September, but 7 percent less than in October last year.

Average weights of hogs purchased at seven important markets during October were seasonally lighter than in September, because of the reduction in marketings of packing sows during the past 2 months, but they were several pounds heavier than a year earlier. The favorable hog-corn price ratio which has prevailed for several months probably is encouraging farmers to feed hogs to heavier weights this fall than last.

Storage Stocks of Pork and Lard  
Reduced Seasonally in October

Storage stocks of both pork and lard were reduced seasonally during October. The net out-of-storage movement for pork during the month amounted to about 57 million pounds, while the decrease in lard stocks amounted to about 41 million pounds. These reductions in cold storage holdings during October were larger than a year earlier and larger than the October average of the past several years.

The 1941-42 into-storage season (beginning about November 1) has begun with cold storage holdings of pork totaling 314 million pounds, slightly more than a year earlier, but with lard stocks reduced about 20 percent under the record large stocks of 214 million pounds held on November 1 last year.

The amount of pork owned by the Department of Agriculture in cold storage outside of processors' hands on November 1 totaled 11 million pounds, whereas all of the Department-owned lard stocks were reported to have been withdrawn from storage.

Storage holdings of pork and lard on the first of the month, average  
 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat	
	Average:			Average:				
	1935-36:	1940-41:	1941-42:	1935-36:	1940-41:	1941-42:	1940-41:	1941-42:
	to			to				
	1939-40:			1939-40:				
	Million	Million	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Oct.	299.8	329.2	371.4	77.7	235.7	214.3	1/	3.7
Nov.	277.3	305.7	2/314.0	62.3	223.2	2/173.4	1/	2/3.9
Dec.	330.9	408.9		68.8	252.5		5.1	
Jan.	458.4	656.2		104.3	237.0		7.1	
Feb.	568.7	739.9		138.4	299.6		7.2	
Mar.	600.5	791.9		156.0	317.4		9.2	
Apr.	585.2	785.4		162.7	310.4		8.3	
May	570.7	795.9		162.1	321.1		6.6	
June	533.5	798.5		168.2	366.1		7.8	
July	505.3	703.9		174.6	374.7		7.8	
Aug.	458.3	618.9		168.1	332.9		7.4	
Sept.	330.3	485.1		145.6	282.7		5.4	

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.



### Exports of Pork and Lard Increased During September

Exports of pork during September amounted to about 30 million pounds, nearly 5 million pounds more than in August <sup>1/</sup> and about eight times more than in September last year. Exports of lard during September of 47 million pounds were 2.4 million pounds larger than in August, and about five times larger than in September 1940. The large increase in exports over a year earlier reflects the large shipments of pork and lard to Great Britain under the Lend-Lease Act.

### Government Purchases of Pork and Lard

October purchases of hog products by the Department of Agriculture under the food-for-defense program amounted to 119 million pounds, raising total purchases for the period March-October to 385 million pounds of pork and 271 million pounds of lard. These quantities are equivalent to the pork produced from approximately 3.5 million hogs and the lard from about 9 million hogs. Inspected hog slaughter during the March-October period totaled 23 million head.

Purchases of pork and lard during the first half of November were made at about the same weekly rate as in October, which represents a somewhat greater volume of purchases than in most of the preceding 6 months.

### Purchases of pork and lard by the Department of Agriculture, March-August 1941

Period	Pork		Lard	Total pork and lard
	Cured and	Canned		
	frozen			
	Pounds	Pounds	Pounds	Pounds
Month:				
Mar. ....	---	---	37,507,200	37,507,200
Apr. ....	30,458,500	15,005,884	31,258,400	76,722,784
May ....	47,775,000	28,116,946	64,811,631	140,703,577
June ....	10,085,000	6,604,288	19,442,384	36,131,672
July ....	22,835,000	16,084,706	17,837,312	56,757,018
Aug. ....	53,228,000	33,237,660	28,123,952	114,589,612
Sept. ....	29,478,000	23,881,400	21,308,000	74,667,400
Oct. ....	19,687,560	48,522,864	51,047,645	119,258,069
Week of				
Nov. 8	2,634,000	10,240,292	9,812,000	22,686,292
15	3,950,000	8,068,280	8,104,016	20,122,296
Total	220,131,060	189,762,660	289,252,540	609,146,260

<sup>1/</sup> Exports of pork during August totaled 25.9 million pounds. This figure was incorrectly reported as nearly 36 million pounds in the October issue of The Livestock Situation.

1941-42 Anglo-Canadian Bacon Agreement

A new Anglo-Canadian bacon agreement recently has been announced. This agreement covering the 12 months November 1, 1941-October 30, 1942 is the third in the present war period and calls for materially increased shipments of bacon to Great Britain at an increased level of prices.

In the 5 years 1935-39, Canadian exports of pork (chiefly Wiltshire sides) to Great Britain averaged about 165 million pounds a year. The first Anglo-Canadian bacon agreement, concluded in late 1939 for the period ended October 30, 1940, called for shipments of bacon at an annual rate of between 230 and 290 million pounds a year. Actual exports to Great Britain during the period November 1939-October 1940 were a little larger than this maximum amount and were about 90 million pounds greater than the previous record amount exported to Great Britain in 1919.

In response to relatively high hog prices and favorable feeding costs, Canadian hog production increased greatly in 1939 and 1940, and in the second Anglo-Canadian bacon agreement, shipments for the period November 1940-October 1941 were increased to 425 million pounds, roughly the amount of pork expected to be produced in excess of domestic requirements during the period. Figures on actual exports during the 1940-41 period are not available, but it is likely that shipments were as large as the quantity called for in that agreement.

During the past year several steps were taken by the Canadian Government to provide as much bacon as possible for export to Great Britain. Some measures were taken to restrict domestic consumption, and an embargo was placed on the export of hogs and hog products to countries other than the United Kingdom. In addition, the schedule of prices paid for bacon by the Canadian Government was raised on several occasions in order to encourage further increases in hog supplies.

The 1941 spring pig crop in Canada was not greatly different from that of 1940, but the fall crop this year is expected to show some further increase. The schedule of bacon prices contained in the 1941-42 agreement is about 25 percent higher than those set at the beginning of the 1940-41 agreement, and this will lend considerable encouragement to further increases in the production and marketing of hogs. The quantity of bacon to be exported to Great Britain under the new agreement is 600 million pounds, 175 million pounds more than the amount called for in the 1940-41 agreement and over three times as great as the pre-war level of exports. It is also about as large as the total commercial production of bacon in Canada a few years ago, but because of the sharp increase in the production of hogs and pork products in the past 2 or 3 years, supplies available for domestic consumption have remained relatively large.

Fresh Pork Returned to Blue Stamp List

After having been removed in July, fresh pork was returned in November to the list of foods obtainable with blue stamps under the Food Stamp Plan. Market supplies of hogs are now increasing seasonally, and because of the indicated increases in hog production total supplies of pork are expected to be relatively large for some time.



## CATTLE

Cattle Prices Decline Moderately  
in Recent Weeks

Prices of most grades of slaughter cattle have fluctuated about a moderate downward trend for the past 3 months, but the decline has not been great in view of the exceptionally large supplies of cattle marketed for slaughter this fall. This situation reflects the marked improvement in consumer purchasing power and demand for meats which has taken place during the past year. The average price of good grade beef steers at Chicago for the week ended November 15 was \$11.00, compared with \$11.30 a month earlier, and \$11.85 in the corresponding week of 1940.

Prices of well-finished fat cattle have continued low in recent weeks relative to prices of the lower grades, and they are now lower than a year earlier, whereas prices of the lower grades of slaughter cattle are still higher than they were last year. In mid-November, the average price of common grade slaughter steers at Chicago was about \$8.70, compared with about \$7.40 in the corresponding week of last year. Prices of good grade slaughter cows at about \$7.80 were about 50 cents higher than a year earlier.

Prices of veal calves have declined fairly sharply in recent weeks, reflecting a somewhat greater than usual seasonal increase in slaughter supplies during the past month. Prices are still much higher than they were a year earlier, however.

Prices of feeder cattle have declined about \$1.00 during the past several weeks, but they are still fairly high relative to prices of well-finished slaughter cattle. In early November the spread between prices of good grade feeder steers and good grade slaughter steers at Chicago was about \$1.00, compared with \$2.00 a year earlier. The average price of feeder steers at Kansas City for the week ended November 8 was \$9.15, compared with \$9.75 a month earlier and \$8.80 in the corresponding week of 1940.

Cattle Slaughter Increased  
Sharply in October

Marketings of slaughter cattle increased sharply in October. The number of cattle slaughtered under Federal inspection during the month totaled 1,119,000 head, 11 percent more than in September and 16 percent more than in October last year. It was the fourth largest commercial slaughter under Federal inspection for the month on record. So far in 1941 (January-October) inspected cattle slaughter has totaled about 12 percent greater than a year earlier, and in the past 6 months (May-October) it has totaled 17 percent greater. A large part of this increase has been in supplies of grain-fed cattle.

Marketings of calves for slaughter also increased sharply in October. The number of calves slaughtered under Federal inspection during the month totaled 536,000 head, 20 percent more than in September and 6 percent more than in October last year. Calf slaughter so far in 1941 has been only a little larger than a year earlier.

Imports of Cattle and Calves

Total United States imports of cattle and calves during September amounted to a little more than 34,000 head. Of this number about 21,000 head were from Canada, and 13,000 head were from Mexico. Imports from Canada in the first 9 months of this year totaled 177,000 head, about the same number as a year earlier. But the total of 384,000 head imported from Mexico during this period was 83,000 head greater than a year earlier. Most of this increase was in light weight stockers and feeders (cattle weighing 200-700 pounds) on which the duty is 2.5 cents per pound.

Imports of heavy dutiable cattle (700 pounds and over) from Canada during the first 9 months of 1941 totaled about 96,000 head. Imports were fairly large during July-September, but in each of the 3-month periods of this year they have been smaller than the quarterly quota of 51,720 head allowed entry from that country at the reduced duty. On the other hand, imports of such cattle from Mexico in the first month of each of the past three quarters have been larger than the 8,280-head quarterly quota allowed countries other than Canada.

United States: Imports of cattle by classes, from Canada,  
Mexico and all countries, 1936 to date

Period	Canada			Mexico			All countries		
	Under	700	Total	Under	700	Total	Under	700	Total
	700	pounds:	cattle:	700	pounds:	cattle:	700	pounds:	cattle:
	pounds:	and	1/	pounds:	and	1/	pounds:	and	1/
		over			over			over	
	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-	Thou-
	sands	sands	sands	sands	sands	sands	sands	sands	sands
1936 .....	91	154	244	142	23	165	234	177	410
1937 .....	131	176	307	174	25	199	306	201	507
1938 .....	55	92	147	236	50	286	292	142	434
1939 .....	93	191	284	423	55	479	517	247	764
1940									
Jan.-Mar. :	10	22	33	104	16	120	115	38	152
Apr.-June :	37	43	80	130	10	140	167	53	220
July-Sept.:	29	38	67	36	6	41	64	44	108
Oct.-Dec. :	9	44	53	96	14	110	105	58	164
Year :	85	148	232	366	45	411	451	193	644
1941									
Jan.-Mar. :	12	28	40	173	12	185	185	40	225
Apr.-June :	27	33	60	129	14	143	156	47	203
July-Sept.:	24	54	78	41	16	56	64	70	134

1/ Includes cattle for breeding and dairy purposes.



Lamb Prices Declined During  
the Past 2 Months .

Sheep and Lamb Slaughter Increased  
Seasonally in October

## CASH INCOME AND PRICES RECEIVED BY FARMERS FOR MEAT ANIMALS

Cash income received by farmers from the sale of meat animals increased sharply in September as a result of both larger marketings and higher prices than a month earlier. Cash income from meat animals in the first 9 months of 1941 totaled 2,259 million dollars, 35 percent more than in the corresponding period of 1940.

Cash income and prices received by farmers for meat animals,  
specified months and periods, 1940-41

Item	Unit	1940		1941			
		Jan.-	Oct.	Jan.-	Aug.	Sept.	Oct.
		Sept.	Sept.	Sept.	Sept.	Sept.	Oct.
United States average price received by farmers for:	Dol. per:						
Hogs .....	cwt.	5.32	5.33	8.71	10.39	11.10	10.08
Beef cattle .....	"	7.34	7.78	8.66	9.07	9.36	9.18
Veal calves .....	"	8.75	9.11	10.14	10.56	11.26	11.14
Sheep .....	"	3.88	3.72	4.79	4.93	5.25	5.04
Lambs .....	"	7.86	7.64	9.08	9.32	9.84	9.66
Index of prices received by farmers for all meat animals ...	1/	106	112	143	158	166	157
Cash farm income from meat animals:	Mil.dol.	1,677	281	2,259	263	2/329	
1/ Base period August 1909-July 1914 = 100. 2/ Preliminary.							

## SUMMARY OF THE 1942 OUTLOOK FOR LIVESTOCK

The outlook for livestock producers in 1942 is favorable. Supported by the strongest consumer demand conditions in a number of years and continued large Government purchases of pork and lard, prices of all livestock are expected to continue at a relatively high level. This, together with the probable large marketings of cattle and hogs, is expected to return to farmers the largest cash income from the sale of meat animals in over 20 years.

The total production of meats (excluding lard) in 1942 is expected to be the largest on record. And for the first time in many years slaughter of both cattle and hogs may be exceptionally large in the same year. Even after allowing for a large volume of pork exports, the total supply of all meats remaining for domestic consumption next year probably will be as large as that of each of the past 2 years, if not larger.

In order to provide large supplies of foods needed in 1942 as a result of the nation's defense program, a campaign was launched by the Department of Agriculture in September to secure increased production of meats, milk, eggs, and certain other products. Goals for production and marketings were established by the Department for the country as a whole. County agricultural defense boards are now canvassing farmers to determine the probable output of crops and livestock products for 1942 by States.

## HOGS

The national goal for hogs in 1942 is a total United States slaughter of a little more than 79 million head, about 2 million head more than the near record slaughter in 1940, and about 6 million head more than the probable total for 1941. This larger slaughter is expected to be reached through an increase in this year's fall pig crop, marketed almost entirely in 1942, and an increase in the number of pigs raised in the spring of 1942, about half of which will be ready for slaughter before the end of next year.

Breeding intentions reported by farmers last June showed a probable increase of about 13 percent in the 1941 fall pig crop over the 29.4 million head raised during the preceding fall season. Marketings of packing sows during the past summer as well as other indications bear out the likelihood of an increase of at least 13 percent. If this increase materializes, about half of the desired increase in hog supplies next year (after allowing for death losses) will be accounted for.

In order to obtain the balance of the approximately 6 million head increase in hog slaughter in 1942, an increase of about 15 percent in the number of pigs raised next spring over the 50-million head raised in each of the past two spring seasons is needed. With the hog-corn price ratio now favorable for expanding hog production, it is likely that this increase will be realized. Ordinarily a hog-corn price ratio of 15 (based on Chicago average prices) during the fall and early winter could be expected to result in a 10 to 15 percent increase in the number of sows bred to farrow the following spring. The ratio has been about this high for the past several months, and it is expected to continue at a relatively favorable level throughout the breeding season for the 1942 spring pig crop. A large



part of the expected increase in next year's spring pig crop probably will occur in the Western Corn Belt, where hog production has been below the predrought (1929-33 average) level for the past several years.

Large quantities of pork and lard will be needed for shipment to Great Britain in 1942. It is tentatively estimated that more than 10 percent of the total pork and perhaps 25 percent of the total lard produced in this country next year will be exported. Even though total exports of hog products may be this large, supplies of pork and lard remaining for domestic consumption in 1942 will not differ greatly from those of the current year.

The market movement of the 1941 spring pig crop is now under way at prices averaging around \$4.00 higher than those which prevailed in the early fall last year. During the past marketing year (October 1940-September 1941) hog prices advanced greatly in response to improving consumer demand conditions and Government purchases of pork and lard during the last half of the year. Consumer demand conditions are expected to be stronger in 1942 than in 1941 and Government purchases of pork and lard will be at a higher rate in 1942 than in 1941. However, total marketings will be considerably larger than in the present year, and a large part of the increase in hog supplies over a year earlier probably will occur after the winter season. Hog prices in the 1941-42 marketing year and in the calendar year 1942 are expected to average considerably higher than a year earlier. In the past 3 or 4 months, however, prices already have averaged much higher than in the early months of 1941, so that the advance in prices during 1942 probably will be much less pronounced than that which has taken place so far in 1941.

#### CATTLE AND CALVES

Despite the large increase in cattle slaughter during the past 6 months over that of a year earlier, cattle numbers are expected to show a considerable increase during 1941. The total number of cattle and calves on farms at the beginning of 1942 probably will be only a little smaller than the record high number reached in 1934. Cattle numbers have been increasing since 1938. If this upward trend should continue for a year or so longer, marketings at the end of that time would be exceptionally large, and this would almost certainly result in very low cattle prices. Hence, the long-time position of the cattle industry will be greatly improved if numbers do not increase much more in 1942 and later years.

The national goal for cattle and calves in 1942 is one of increased marketings rather than increased production. As indicated in the above paragraph, the long-time outlook for the cattle industry will be improved if marketings and slaughter are increased next year. A slaughter of this size will about offset the likely increase in numbers next year resulting from the calf crop and probable imports.

Reaching the national goal for cattle and calf slaughter in 1942 will mean an increase of about 7 to 8 percent in the total production of beef and veal next year over the total output in 1941. However, with the higher level of consumer purchasing power and demand for meats now in prospect for 1942, total supplies of beef and veal could be increased by this amount without a material reduction in the general level of cattle and calf prices next year compared with average prices for 1941.

Cattle Feeding Situation for 1941-42

According to information released recently by the Agricultural Marketing Service, shipments of stocker and feeder cattle into the Corn Belt during the past 4 months (July-October) were materially smaller than a year earlier, and it now appears likely that the total number of cattle fed in that area in the 1941-42 feeding season will be smaller than in either of the 2 preceding years. Shipments of feeder cattle to the Corn Belt during November and December may be larger this year than last, but any increase over a year earlier will be small compared with the sharp decrease in the preceding 4 months. Available information as to feeding operations in States outside the Corn Belt points to little or no change from the 1940-41 season.

The market movement of cattle from the Western States was delayed this fall by the better than usual range feed conditions. Relatively high prices for feeder cattle during the past few months also appear to have discouraged purchases by Corn Belt feeders. Shipments to the Corn Belt during October, although showing more than the usual seasonal increase from preceding months, were smaller than in October 1940 or 1939.

For the 4 months, July through October, total shipments of stocker and feeder cattle into the Corn Belt States this year were sharply reduced from both 1940 and 1939. Shipments inspected at stockyard markets were down about 25 percent from 1940 and 17 percent from 1939; they were also below the 1936-40 average for the period. The reduction in direct inshipments for the period was equally as large.

Present indications are that fewer cattle will be fed this winter in all of the Corn Belt States except the three States west of the Missouri River. In these States some increase may take place, although the increased movement into Kansas includes relatively large numbers going to wheat field pastures rather than to feed lots.

Reports from the Western States indicate that the total number of cattle fed in that area during 1941-42 may be somewhat smaller than a year earlier, but because of the delay in the sugar beet harvest caused by continuing wet weather, the movement of feeder cattle has been retarded. Earlier reports from Texas and Oklahoma pointed to some increase in cattle feeding in these States but the excessive rains in October have delayed greatly the harvesting of feed crops and have resulted in sharp losses of both harvested and unharvested feeds. Although wheat pastures have made unusual growth in all of the Southern hard winter wheat States, the soft condition of the fields has greatly restricted their use.

Records of shipments of stocker and feeder cattle from four leading markets for the 4 months, July through October, this year compared with last show the largest relative reductions to have been in light-weight steers (under 700 pounds) and in feeder calves.

The 1942 goal for cattle and calf slaughter calls for no increase in cattle feeding operations over those of 1941. However, with ample supplies of feed available in the Corn Belt, any increase in marketing from that region probably will include large numbers of cattle that have been on feed



for at least a short time. Total marketings of well-finished cattle are likely to be smaller than in the current year, however. It may also be that marketings will include a rather large number of low-quality cows and heifers which have been culled from beef herds. On the basis of these indications, the spread between prices of the upper and lower grades of slaughter cattle is likely to be wider next year than it has been during the past few months.

Despite the large marketings of grain-fed cattle in recent months, available information indicates that there is still a relatively large number of such cattle on feed. Hence, marketings of well-finished fat cattle probably will continue large during the remainder of 1941, but a considerable decrease in supplies is likely in the early months of next year. Thus the trend in prices of the better grades of slaughter cattle may be upward in the first half of 1942 in marked contrast to the sharp downward trend during the first half of 1941.

### SHEEP AND LAMBS

The 1942 outlook for sheep and lambs is for a further moderate increase in production and marketings and for continued relatively high level of prices. The lamb crop in the Western sheep States has increased considerably during the past several years, and a strong tendency to hold back ewe lambs for breeding purposes is reported this fall. The national goal for sheep and lambs calls for an approximate 2-percent increase in total slaughter next year over that of 1941. If weather conditions are favorable next spring an increase of at least 2 percent in the 1942 lamb crop over that of 1941 is probable. The improvement in consumer demand for meats in prospect for next year probably will more than offset the effect on lamb prices of a moderate increase in slaughter supplies in 1942 over 1941.

#### Lamb Feeding Situation in 1941-42

Developments in the lamb feeding situation during October indicate that there will be about as many lambs fed during the 1941-42 feeding season as were fed in 1940-41, according to information released recently by the Agricultural Marketing Service. Lamb feeding operations are likely to be smaller than a year earlier in all of the Corn Belt States east of the Mississippi River and in Minnesota and Iowa. But the number fed in Missouri and in the States west of the Missouri River will be larger. The total number of lambs fed in the 11 Western States may differ little from the number fed in those States last season, with a rather sharp increase in Colorado offsetting decreases expected in other States. Some increase in feeding is probable in Texas and Oklahoma.

Although numbers fed during the 1941-42 season may be little different from a year earlier, the number remaining in feed lots on January 1 may be larger. Persistent wet weather in most States from Illinois westward has been unfavorable for the fattening of lambs and has restricted the use of wheat pastures in the hard winter wheat States and of sugar beet tops in some irrigated areas.

Shipments of feeder lambs into the Corn Belt States in October were rather heavy, exceeding the movement in October of last year. Shipments

inspected at public stockyards in October were 14 percent larger this year and 19 percent above the 5-year 1936-40 average. For the 4 months, July through October, such shipments were 3 percent larger this year and 17 percent above the 5-year average. Direct shipments into the Corn Belt in October were somewhat smaller this year and were also smaller for the 4 months July through October. Total shipments, both through stockyards and direct, were a little smaller during the July-October period this year than last.

Lamb-feeding operations in Colorado will be on a considerably larger scale this season than in either of the two preceding seasons with all areas feeding as many or more lambs than were fed last year, but with the bulk of the increase in the northern part of the State. The feeding situation in the other Western States is somewhat uncertain because of the large number of ewe lambs that have been held back, many of which might be shipped later as feeders or for slaughter.

Some increase in lamb feeding on wheat fields in Texas and Oklahoma seems probable but the situation in these States is still uncertain. Excessive rains during October, though favorable to the growth of seeded wheat, made wheat pastures too wet for extensive use and also caused heavy damage to harvested and unharvested feed grain crops in the lamb-feeding areas.

Shipments of feeder lambs from Texas are reported to have been much smaller this fall than last. It appears likely, because of the favorable level of wool prices, that a larger than usual proportion of the Texas lamb crop may be held back for marketing next spring as shorn yearlings.

#### THE WOOL SITUATION 1/

Wool price advances of 2 to 4 cents a pound, scoured basis, in October carried quotations on domestic wools at Boston close to the highest levels in more than a decade. The price advance followed invitations for bids on large quantities of wool cloth for Army use. Mill consumption of apparel wool in September reached a new high of more than 90 million pounds, grease basis. With Government requirements still large, consumption is likely to continue close to record levels through the early months of 1942 and this will be a strong supporting factor to domestic wool prices.

Stocks of apparel wool held by United States dealers and manufacturers on September 27 totaled 377 million pounds, grease basis. This total includes 21 million pounds of wool afloat to United States dealers and manufacturers; it does not include Australian wools stored under Government supervision in this country as a strategic reserve. The end-of-September stocks this year were more than 100 million pounds larger than at the corresponding dates in 1939 and 1940 and were the largest in recent years, but they were not unusually large in relation to the current rate of mill consumption.

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2/ Summary from the November issue of The Demand and Price Situation. For more detailed information copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

Imports of apparel wool for consumption totaled 445 million pounds in the first 8 months of this year, compared with 118 million pounds in the corresponding months of 1940. Imports have declined seasonally since April, but they are expected to increase again in the late fall and winter. The major part (60 percent) of United States imports of apparel wool for consumption in 1940-41 came from South America. Argentina also has been the leading source of United States imports of carpet wool in the last few years.

Exports of wool from Argentina and Uruguay in the 1940-41 season (October-September), totaling 563 million pounds, were 45 percent larger than in 1939-40 and were larger than in any previous year. About 83 percent of the season's exports were to the United States.



## Supplies of hogs and hog products, specified periods

Item	Unit	1941				Oct.-Sept.		
		Sept. 1940	Aug.	Sept.	Average 1928-29 to 1932-33	1938-39	1939-40	1940-41
Hog slaughter under :								
Federal inspection :	Thou-							
No. slaughtered 1/ :	sands	3,168	2,796	2,920	46,363	39,720	47,651	47,999
Live weight:								
Average .....	Lb.	232	261	245	231	234	234	240
Total .....	Mil.lb.	734	730	715	10,723	9,311	11,142	11,402
Total dressed wt. :	" "	540	550	534	8,069	6,975	8,303	8,544
Yield of lard per :								
100 lb. live wt. :								
of hogs .....	Lb.	11.5	13.5	12.9	15.2	2/ 12.8	2/ 13.2	13.3
Lard production 3/ :	Mil.lb.	84	98	92	1,630	1,187	2/ 1,485	1,509
Exports: 4/ :								
Pork .....	" "	4	5/26	30	211	125	115	137
Lard .....	" "	10	45	47	657	270	232	284
Imports of pork 4/ :	" "	6/	6/	6/	6	50	7	13
Proportion of scws :								
in inspected :								
slaughter 7/ .....	Pct.	54.7	59.1	53.8	51.2	49.3	50.0	50.1

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry. 3/ Includes rendered pork fat. 4/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned, and pickled pork. Lard includes neutral lard. 5/ Revised. 6/ Less than 500,000 pounds. 7/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit	1941				Oct.-Sept.		
		Oct. 1940	Sept.	Oct.	Average 1928-29 to 1932-33	1938-39	1939-40	1940-41
Av. price, all purchases:	Dol. per:							
Seven markets .....	100 lb.	6.03	11.10	10.26	1/	6.85	5.54	8.32
Chicago .....	" "	6.25	11.04	10.41	6.99	7.00	5.69	8.44
Av. price of barrows and								
gilts, Chicago .....	" "	6.35	11.67	10.63	1/	7.23	5.86	8.62
Av. price of No. 3 Yellow	Ct. per:							
corn, Chicago .....	bu.	64	75	70	62	49	60	68
Hog-corn price ratio 2/ :								
Chicago .....	Bu.	9.7	14.7	15.0	11.6	14.4	9.6	12.2
N. Central States .....	"	10.5	16.5	16.5	12.9	16.6	10.6	13.6
Proportion of packing sows :								
in total packer & shipper :								
purchases, 7 markets 3/ :	Pct.	12.0	25.0	14.0	1/	13.0	12.0	12.0
Av. weight at 7 markets ...:	Lb.	231	253	239	1/	247	244	247

Compiled from reports of Agricultural Marketing Service.

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.



## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month			
		Average:	1940	1940		1941	
		: 1924-33:		Sept.:	Oct.:	Aug.:	Sept.:
Slaughter under Federal in- spection:							
Number slaughtered:	Thou-						
Cattle 1/	sands	8,850	9,756	812	968	968	1,004
Calves 1/	"	4,812	5,359	412	507	414	447
Cows and heifers 2/	"	4,181	4,481	387	504	428	459
Steers 2/	"	4,340	4,866	386	422	491	496
Average live weight:							
Cattle	Founds:	953	940	924	931	962	955
Calves	"	176	191	216	213	209	221
Total dressed weight:							
Cattle	Mil. lb.	4,532	4,971	404	473	509	525
Calves	" "	487	568	49	59	49	56
Inspected shipments: 1/	Thou-						
Feeder cattle and calves	sands	2,894	3,162	517	633	252	420
Imports:							
Cattle 3/	"	253	644	30	64	41	35
Canned beef 4/	Mil. lb. 5/	36	61	4	3	9	16

Compiled from reports of Agricultural Marketing Service, except as specified.  
 1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, October 1941, with comparisons

Item	Oct.	Oct.	Oct.	1941		
	average:	1939	1940	Aug.	Sept.	Oct.
	: 1924-33:					
Beef steers sold out of first hands at Chicago:	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Choice and Prime	12.28	10.38	13.11	12.06	12.02	11.88
Good	10.83	9.68	11.72	11.58	11.56	11.36
Medium	8.92	8.54	9.54	10.62	10.38	10.32
Common	7.04	7.11	7.08	8.54	8.40	8.64
All grades	10.39	9.87	11.87	11.73	11.73	11.55
Cows, Chicago:						
Good	1/ 6.54	6.81	7.11	8.72	8.51	8.61
Cutter and Common, and Canner	2/ 3.76	4.76	4.74	6.08	6.02	6.13
Vealers, Chicago:						
Good and Choice	10.72	10.91	10.93	12.41	13.65	13.41
Stocker and feeder steers, Kansas City:						
Average price all weights	3/ 7.18	8.04	8.52	9.79	9.98	9.53
Average price paid by packers:						
All cattle	6.83	7.35	7.83	9.57	9.46	
Steers	4/ 9.13	10.21	11.03	11.01		
Calves	8.24	8.01	8.00	10.55	10.63	

Compiled from reports of Agricultural Marketing Service.  
 1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-June 1939. 3/ Average 1925-33. 4/ Not available.

## Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	Av.	1924-33		1940		1941	
		1924-33	1940	Sent.	Oct.	Sent.	Oct.	Aug.	Sept. Oct.
Slaughter under Federal inspection:									
Sheep and lambs:									
Number slaughtered--Thou--									
ed 1/ .....	sands:	14,737	17,351	1,380	1,417	1,473	1,734	1,522	1,567 1,682
Average live weight .....	Lb.	81	86	79	80	83	86	85	85
Average dressed weight .....	"	39	41	38	38	40	40	40	40
Total dressed weight .....	lb.	569	702	51,733	53,908	58,108	69,618	60,364	63,094
Lambs and yearlings:									
Number slaughtered:	sands:	13,678	16,253	1,274	1,314	1,359	1,591	1,394	1,441
Percentage of total:									
sheep and lambs ..	Pct.:	92.8	93.7	92.3	92.7	92.2	91.8	91.6	91.9

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,  
August-October 1939-41

Item	1939			1940			1941		
	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.	Aug.	Sept.	Oct.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago -									
Good and choice 1/ .....	8.66	9.73	9.52	9.40	9.14	9.34	11.63	11.93	11.63
Slaughter ewes:									
Chicago -									
Common and medium	2.25	2.81	2.80	2.18	2.38	2.32	3.46	3.64	3.89
Feeding lambs, Omaha:									
Good and choice ....	7.76	8.33	8.50	8.39	8.55	8.73	10.63	11.08	10.88
Average price paid by packers:									
Sheep and lambs ....	7.69	8.42	8.23	8.12	8.30	8.29	10.06	10.57	

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade spring lambs.

Index numbers of income of industrial workers, and cash  
income from meat animals, specified periods

Item	Calendar year			Sept.		1941			
	1938	1939	1940	1940	Aug.	Sept.			
Income of industrial workers									
(1924-29 = 100) .....	73	1/ 84	1/ 95	1/ 99	1/ 139	2/ 141			
Cash farm income from meat animals									
(1924-29 = 100) .....	78	81	1/ 85	1/ 88.0	1/ 114.0	2/ 128.0			

1/ Revised. 2/ Preliminary.